

## **MINUTES**

### **MONTANA SENATE 56th LEGISLATURE - REGULAR SESSION**

#### **COMMITTEE ON EDUCATION AND CULTURAL RESOURCES**

**Call to Order:** By **CHAIRMAN DARYL TOEWS**, on January 11, 1999 at 3:00 P.M., in Room 402 Capitol.

#### **ROLL CALL**

**Members Present:**

Sen. Daryl Toews, Chairman (R)  
Sen. Bill Glaser, Vice Chairman (R)  
Sen. Jon Ellingson (D)  
Sen. Alvin Ellis (R)  
Sen. John Hertel (R)  
Sen. Debbie Shea (D)  
Sen. Mike Sprague (R)  
Sen. Spook Stang (D)  
Sen. Mignon Waterman (D)  
Sen. Jack Wells (R)

**Members Excused:** Sen. Bob Keenan (R)

**Members Absent:** None.

**Staff Present:** Eddye McClure, Legislative Branch  
Janice Soft, Committee Secretary

**Please Note:** These are summary minutes. Testimony and discussion are paraphrased and condensed.

**Committee Business Summary:**

Hearing(s) & Date(s) Posted: SB 56, 1/5/99; SB 79, 1/5/99;  
SB 80, 1/5/99  
Executive Action: SJR 2, DO PASS AS AMENDED

#### **HEARING ON SB 56, SB 79, SB 80**

**Sponsor:** SEN. BEA MCCARTHY, SD 29, Anaconda -- SB 56; SEN. CHUCK SWYSGOOD, SD 17, Dillon -- SB 79 and SB 80.

**Proponents:** Don Waldron, Montana Rural Education Association  
Dick Crofts, Commissioner of Higher Education  
Bob Brown, Committee for 6-Mill Levy  
Eric Burke, Office of the Governor

**Sheila Stearns, Chancellor, Western Montana  
College**  
**Jake Ankeny, MSU - Bozeman Students**  
**Gordon Morris, Montana Association of Counties**  
**Barrett Kaiser, U of M - Missoula Students**  
**Colin Stephens, MSU - Billings**  
**Ben Darrow, U of M, Montana Tech, Western Montana  
College Students**  
**Laurie Koutnik, Christian Coalition**  
**Gail Gray, Office of Public Instruction**  
**Lorna Frank Karn, Farmers Union, Grain Growers &  
Montana Farm Bureau**  
**Hal Stearns, U of M campuses**  
**Don Judge, Montana AFL-CIO**  
**Webb Brown, Montana Chamber of Commerce**  
**Eric Feaver, Montana Education Association &  
Montana Federation of Teachers**  
**Lance Melton, Montana School Boards Association**  
**Joe Kirwan, Secretary of State Elections**  
**Wayne Buchanan, Board of Public Education**

**Opponents:** None.

(**Chairman Toews** informed the Committee the sponsors of all three (3) bills would present their bills at the same time and the public testimony would be for all three (3) bills at once).

**Opening Statements by Sponsors:**

**SENATOR BEA MCCARTHY, SD 29, Anaconda,** gave her opening statement on **SB 56**. She said the bill was self-explanatory -- because of CI-75, the legislature needed to reaffirm the action of the November voters. She explained a 3/4 majority in both Houses was necessary so the 6-mill levy passed by the voters was able to go into effect. She said the bill would need amendments; however, she was not planning to present them at this time.

**SENATOR CHARLES "CHUCK" SWYSGOOD, SD 17, Dillon,** said **SB 79** levied the 6-mills until 1/1/01 for two (2) years with a 3/4 vote of the Legislature; however, if **SB 80** was enacted by the vote of the people, **SB 79** would be void. He said **SB 79** also provided if CI-75 was struck down or Regents got a judgment which said that neither a new vote nor 3/4 legislative vote was required, the 1/1/01 date would be void and the normal date of 1/1/09 would stand. He summed up by saying **SB 79** covered all contingencies which could happen under the implications of CI-75.

**SEN. SWYSGOOD** next gave the opening statement on **SB 80** and said it imposed the tax and sent it to the vote of the people on a date determined by the Legislature sometime this year.

**{Tape : 1; Side : A; Approx. Time Counter : 3.2}**

**Proponents' Testimony:**

**Don Waldron, Montana Rural Education Association**, could not be present but submitted his written testimony **EXHIBIT(eds07a01)**.

**Dick Crofts, Commissioner of Higher Education**, expressed support for all three (3) bills and said they were grateful for the support they had. He reminded the Committee that in November, Montanans renewed the 6-mill levy for the University System by a 2-1 vote. He said they had prepared amendments and would be working with staff to ensure clear language. **Mr. Crofts** said they were trying to make sure all major contingencies were covered: (1) The need of a temporary measure to cover the first two (2) years in the event the permanent measure went back to a second vote of the people would not be covered; (2) Should CI-75 be declared unconstitutional, the statute to levy the 6 mills would have to be written in such a fashion so it would stand up without a vote of the people; (3) The Board of Regents went to the state district court in Helena to ask that a second vote of the 6-mill levy not be required because it was overwhelmingly approved by Montanans.

**Bob Brown, Manager of 6-Mill Levy Campaign (Referendum 113)**, said he supported all three (3) bills. He said the funding through the 6-mill levy was vital to higher education in Montana; therefore, it was important the funding not be disrupted. He reminded the Committee Referendum 113 was approved by a substantial majority of Montanans so there seemed to be a broad consensus of support for all three (3) bills; also, it was assumed all these bills were necessary. He stated they may not be necessary, depending on the outcome of the litigation of CI-75, nor were they positive Referendum 113 was incompatible with CI-75. He informed the Committee there were over 50 grassroots organizations statewide to support Referendum 113, and all five (5) living governors supported it as well. He referred to a special legislative session in 1979 which lasted one (1) hour because the Legislature had renewed the 6-mill levy in 1978 but had overlooked the appropriation of the 6-mill levy -- he cautioned this Legislature to not make the same error.

**Eric Burke, Office of the Governor**, said his office supported all three (3) bills and urged the Committee's support as well.

**Sheila Sterns, Chancellor, Western Montana College**, expressed support for all three (3) bills and thanked the sponsors for them. She spoke on behalf of her fellow chancellors and presidents and said the funds were very important to them -- their uncertainty was destabilizing to the campuses. She hoped their outcome, either here or in the courts, could be determined very soon.

**Jake Ankeny, MSU-Bozeman Students**, expressed support for the 6-mill levy and thanked Montana voters and taxpayers for their support. He said the levy's benefits included quality and lower tuition; therefore, they supported all three (3) bills.

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**Gordon Morris, Montana Association of Counties (MACo)**, said MACo passed a resolution last September which expressed support for Referendum 113. He said MACo supported all three (3) bills before the Committee today. He asked for their support.

**Barrett Kaiser, President, U of M-Missoula Associated Students**, said he pledged his and his students' support for all three (3) bills. He said all the university campuses campaigned extremely hard for the levy; in fact, they broke a campus voter turnout. He urged the Committee to support the bills.

**Colin Stephens, MSU-Billings Students**, said he would like to repeat former testimony by expressing support for the bills, thanking everyone for being there and thanking the sponsors of the bills.

**Ben Darrow, Student Lobbyist for U of M-Missoula, Montana Tech, Butte, Western Montana College, Dillon**, referred to a fact sheet **EXHIBIT (eds07a02)** and said if the 6-mill levy were not appropriated there would be an increase of 50% in residents' tuition and an overall increase of 25% for all students. He said both student enrollment and student programs would decrease; therefore the blow would be fatal to many Montana students in getting an education. He expressed thanks to **SEN. MCCARTHY** and **SEN. SWYSGOOD** for sponsoring the bills.

**Laurie Koutnik, Christian Coalition of Montana**, submitted her written testimony, which was read by Arlette Randash **EXHIBIT (eds07a03)**.

**Gail Gray, Office of Public Instruction (OPI)**, said her testimony was basically the same as the others' -- OPI supported all the bills pertaining to the 6-mill levy in support of the Montana State University System.

**Lorna Frank Karn, Farmers Union, Grain Growers, Montana Farm Bureau,** said they all supported these three (3) pieces of legislation and hoped for a DO PASS.

**Hal Stearns, U of M Campuses,** said his father, a long-time Montana newspaperman, took the lead in this legislation in 1978 and 1988. He said he was very recently visiting with his father who asked him to remind Montanans that Montana's future depended on its young people and of all the things he had done in Montana, taking the lead in this legislation was the highlight.

**Don Judge, Montana AFL-CIO,** said they supported all three (3) pieces of legislation. He said they were important, particularly as they pertained to economic development -- workers would turn over their jobs at least five (5) times during their lifetime; therefore, it was important they have good training. He stated this legislation would allow that to happen without putting the opportunity out of reach financially for these workers.

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**Webb Brown, Montana Chamber of Commerce,** expressed support for all three (3) bills and appreciation for their sponsors. He said they also recognized the importance of quality education for business in Montana and the importance of the 6-mill levy to provide that education. He urged DO PASS for all three (3) bills.

**Eric Feaver, Montana Education Association & Montana Federation of Teachers,** said both organizations supported the legislation and looked forward to the Committee's debate on what constituted an emergency under CI-75. He suggested a definition might include a loss of a significant amount of money to the University System and the rest of us who consume General Fund dollars if the six (6) mills are not applied; also, the passage of CI-75 itself constituted an emergency.

**Lance Melton, Montana School Boards Association (MSBA),** offered a third reason for an emergency -- preserving the will of the voters who strongly supported the 6-mill levy. He asked the Committee's support in upholding the will of the voters as well as the wishes of the groups represented at the hearing.

**Joe Kirwan, Deputy Secretary of State for Election,** said Secretary of State Mike Cooney was very interested in ensuring the will of the people wasn't frustrated at the polling place and felt **SB 56, SB 79** and **SB 80** would give the people another opportunity to vote. He urged support.

**Wayne Buchanan, Board of Public Education**, also expressed support for the bills, explaining of those K-12 students going on to higher education, most would attend the University System. Therefore, he supported the bills.

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**Questions from Committee Members and Responses:**

**SEN. SPRAGUE** asked if the best funding mechanism for this levy was the present system -- every 10 years renew the levy through a vote of the people. **Bob Brown** said the tradition dated back to 1920 when the voters were asked to vote in a 1.5 mill levy for higher education. Then it was increased to three (3) mills and finally to six (6) mills in 1948 to accommodate the GI's returning from World War II. He said it had been renewed at the 6-mill rate every 10 years ever since -- 1958, 1968, 1978, 1988 and 1998. He said it another way -- it had become sort of a Montana tradition; however, if one believed in stable funding of higher education and education's importance to Montana, it was sensible to ask why the levy should be placed at risk every 10 years. He suggested a positive side was it required higher education to come before the people to explain what it was, what it did and why it was important. **Mr. Brown** reminded the Committee that so far the people had given the University System an overwhelming vote of confidence by renewing the 6-mill levy.

**SEN. GLASER** referred to the part of CI-75 where it said "specific emergency measure" and commented it appeared it was a defined situation because if 3/4 of each House could support a tax for two (2) years, the Legislature had determined that was an emergency. He wondered if that was reasonable. **Bob Brown** said no definition had yet been arrived at as to what constituted an emergency under CI-75. He suggested a definition of an emergency might be what a 3/4 majority of the Legislature said it was.

**Closing by Sponsor:**

**SEN. MCCARTHY** thanked the people for their support and said it reaffirmed a support for the state of Montana. She said she was on the Board of Regents 10 years ago and when it was time to put the vote of the levy before the populace, it was a bit scary; however, it did make the state aware of the University System's programs. In other words, it was healthy for both Montana and the University System because it made it mandatory to examine consciences. She urged the Committee to act quickly so the bills could come before the Legislature for a 3/4 vote in order to get the money into the University System.

**SEN. SWYSGOOD** said it was important to realize that without this millage, the University System had a real financial problem because the levy generated between \$27 and \$29 million over the biennium. That amount would be impossible to make up through the funding mechanisms in place today. He reiterated the mechanisms were in place and the concerns of CI-75 needed to be addressed -- he hoped the Committee would give both bills favorable consideration.

*{Tape : 1; Side : A; Approx. Time Counter : 25}*

#### EXECUTIVE ACTION ON SJR 2

**Eddy McClure** distributed copies of Amendments SJ000201.aem and explained them.

**Motion:** **SEN. ELLIS MOVED DO PASS ON AMENDMENTS SJ000201.aem.**  
**EXHIBIT** (eds07a04)

**Discussion:** **SEN. SPRAGUE** suggested adding "and consumer" principles, explaining he was watching a TV program and learned approximately \$50 billion growth in the economy was generated by youth ages 12-17. Also, the average spending of these same youth was approximately \$80 a month on consumable goods, with many of the purchases made through credit cards. He said he didn't think youth that age could comprehend how it would affect their credibility or how people earn money, put it in the bank, spend it, etc.

**SEN. WELLS** said he supported **SEN. SPRAGUE'S** suggestion, explaining the majority of Internet purchases and rapid growth of stocks were made by the younger generation because of their knowledge of computers. He further explained they were in a consumer mode and were entertainment-oriented so it would be important to convey that life was longer than the teen years and keeping oneself entertained and buying what one wants right now.

**SEN. SPRAGUE** said without the addition of "and consumer" the education community might interpret the amendment as macro and micro economics, rather than consumer applicability.

**SEN. ELLIS** said he had no problem with the addition; however, he felt "basic economic principles" was the gist of **SJR 2**. He felt that language was broad enough but realized **SEN. SPRAGUE'S** suggestion would broaden it a bit further.

**Substitute Motion/Vote:** SEN. SPRAGUE MOVED TO ADD "AND BASIC CONSUMER" to Amendments 1, 2 and 3 as per SJ000201.aem (EXHIBIT 4). Motion CARRIED UNANIMOUSLY, 10-0.

**Motion/Vote:** SEN. STANG MOVED TO ACCEPT AMENDED AMENDMENTS SJ000201.aem CARRIED UNANIMOUSLY, 10-0.

**Motion:** SEN. WATERMAN MOVED DO PASS on SJR 2 AS AMENDED.

**Discussion:** SEN. TOEWS suggested SJR 2 might reduce test scores, which people consider important; however, he also realized the importance of the course work in SJR 2.

SEN. SPRAGUE said he respectfully disagreed because he felt if young people understood why they needed to pay attention to their courses, they were inspired to achieve. He suggested some of these economic things would "turn on the light."

SEN. ELLIS also expressed disagreement with SEN. TOEW'S inference that students were already overwhelmed in school and if more was expected, test scores would decline. He felt the problem was the inverse -- some students were put off by not moving fast enough in a lot of areas. He said kids were capable of a tremendous amount, i.e. they weren't over-challenged. He did recognize, however, that the material had to be presented in a way in which they could relate to the material.

SEN. GLASER reminded the Committee SJR 2 was a resolution and he fairly supported it as a resolution but wouldn't support these thoughts if they were put into statute.

**Vote:** Motion DO PASS SJR 2 AS AMENDED CARRIED 9-1, with SEN. TOEWS voting no.



**ADJOURNMENT**

Adjournment: 3:45 P.M.

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SEN. DARYL TOEWS, Chairman

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JANICE SOFT, Secretary

DT/JS

**EXHIBIT** (eds07aad)